Promoting Business Response to the 2002 Economic Census

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Abstract

The economic census is the major source of facts about the structure and functioning of the Nation's economy. Every 5 years, census figures help update the Gross Domestic Product estimates and other indicators of economic performance. The 2002 Economic Census, to be conducted during 2002 and 2003, introduces new questions and new classifications to better describe today's economy. Census data also provide the industry and geographic detail businesses and communities need to assess their performance, promote economic development, and identify business opportunities.

Census forms will be mailed to millions of businesses in December 2002. The forms are due to be returned February 12, 2003, and results will be released starting in early 2004. This ambitious schedule depends on timely and accurate responses from all businesses: the millions of small, single-location businesses, and also the thousands of very large businesses that account for a substantial share of national output.

The Census Bureau is conducting a comprehensive program to encourage business response to the 2002 Economic Census. The effort involves systematic improvements in operations and procedures, managed relationships with large businesses, and indirect communication with respondents through news media and intermediary organizations.

This paper describes response promotion efforts currently under way and reviews recent research. Issues presented for discussion include recommendations of additional communication strategies; suggestions for promoting electronic reporting; suggestions for raising interest among businesses, intermediaries, and the media; and research opportunities we should explore now or while the census is under way.

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1. Introduction

Every 5 years, the economic census profiles the United States economy from the national to the local level. These facts and figures are important. Census data contribute to the Gross Domestic Product (GDP), to other measures of output, pricing, and productivity, and to effective public policy. Census data also are essential to business planning and marketing decisions.

The economic census helps identify and measure economic trends. For example, the 2002 Economic Census will provide expanded measures of electronic commerce, a comprehensive view of the supply chain in the United States economy, and the first statistics on leased employment. The census will introduce changes to the North American Industry Classification System, and a new way to classify service products.

In December 2002, the Census Bureau will mail economic census forms to more than 5 million businesses nationwide. The forms are due roughly 60 days later, on February 12, 2003. Many businesses will need more time to gather their records and complete the forms, and many will obtain extensions. Consequently, we will spend much of calendar year 2003 following up with businesses that have not responded and helping them to respond.

Research and anecdotal evidence demonstrate that the reporting requirement is an important and persuasive message. Most businesses also recognize the value of census information, and we have not found it necessary to prosecute businesses that do not respond. Yet nonresponse and late response affect both the cost of the census and the accuracy of census results.

Accurate measures of industry inputs, outputs, location, and trends depend on complete, accurate, and timely business reporting. Our challenge is to maintain and improve past reporting levels, capitalize on opportunities, and respond to threats. Some factors that influence census response, such as the business, regulatory, and the political climate, are out of our control. On the other hand, a favorable public view of the Census Bureau since Census 2000 and new technologies may simplify our task.

This paper reviews initiatives to promote business response to the economic census through processing improvements, enhancements to direct communication with businesses, and better communication through intermediary organizations.

2. Response Promotion: Processing Improvements and Better Communication

The economic census covers all private, non-farm businesses. Because industry and geographic information are very important, we gather information by location. We send forms for each location of multi-location firms, and for most single location firms with paid employees. To minimize reporting burden, we rely on the administrative records of other Federal agencies in lieu of a form for the millions of businesses without paid employees. In addition, we send forms to only a sample of very small firms with employees, to obtain information such as revenue lines that are not available from administrative records.

We conduct the Economic Census primarily by mail. We are developing more than 650 separate versions of the census form, including short versions consisting primarily of check boxes for very small businesses. For the first time in this census, we will offer an electronic reporting option to all businesses in addition to traditional paper forms. We also are implementing new questions and new classifications for this census. These changes are discussed at length in another paper (Goldhrisch, 2001).

In some respects, promoting response to the economic census is a relatively straightforward task. We have a complete list of the businesses receiving forms, and we can employ a variety of direct mail and marketing techniques to educate and persuade them. We implemented a number of approaches over the years that have helped sustain business participation in the Economic Census. They include:

- Messages on mailout envelopes: "Your Response is Required by Law"
- Replacement forms mailed to delinquent single-unit companies, 3 times in early 2003
- Reminder letters to delinquent multi-unit businesses, with replacement forms mailed once to small multi-units
- Toll-free telephone support staffed 12 hours daily; number listed on forms, letters, and instructions
- Improved cover letters
- Standardized formatting and content of common questionnaire elements
- "Accountants' program" for independent accountants who might be asked to prepare forms for their clients
- Publicity in print media supplemented with minimal targeted radio and TV material
- Advance information provided to the top 8,000 businesses
- Census account managers provided for the 1,000 largest companies

We will continue these efforts for 2002, and also do much more.

2.1 Processing Improvements

For the 2002 Economic Census we will implement improvements in questionnaire designs and processes to simplify reporting and provide better respondent support; for example --

Questionnaire Design - We are redesigning the forms. To make the forms easier to handle and store, we will print them on 8 ½" by 11" paper. To make the forms easier to read, we are increasing white space by eliminating double banking of most detailed lists. We also conducted usability studies to ensure that new questions on the forms are understandable and reportable.

Businesses have requested these changes for years. The changes are not without cost, however: some forms will have at least twice the number of pages as in 1997, and consequently may appear more difficult to complete.

Electronic Reporting -- We are developing a new electronic reporting tool for the 2002 Economic Census. This follows a successful pilot for the 1997 Economic Census that involved 19 retail forms. Businesses will be able to download a Windows(R)-based version of nearly every form. The respondent can either enter the data directly or import data from a spreadsheet, and upload completed forms using the Internet.

The Census Bureau does not have the resources to develop a web-based form for the 2002 Economic Census. However, businesses told us in qualitative research that they would prefer to leave a form and return to it later, which is more consistent with a downloadable form.

Automated Business Help Site -- The toll-free telephone line is a popular way for businesses to get help. The line is available 12 hours each weekday, and more than 350,000 businesses used it during the 1997 Economic Census. They requested new forms, extensions, and explanations of the purpose of the census. We are now developing an automated, web-based alternative: the 2002 Economic Census Business Help Site.

The Help Site will be available 24 hours a day, 7 days a week. It provides answers to frequently-asked questions and lets businesses request a variety of services. For example, businesses can obtain extensions and replacement forms, and verify that their forms were checked in. An email form is provided so businesses can request help with problems that the site does not address. The Help Site address - www.census.gov/econhelp - is listed on every census form, on cover letters, and on the regular economic census web site. This will be the first place business people should go when they have a question or need help with their forms.

Operators on the Census Bureau's toll-free line will use the Help Site to guide their own answers to respondents. This will help assure that the material on the Help Site is complete and responsive.

2.2 Communications

Processing improvements and direct communications in the questionnaire package are a start. We will supplement them with managed relationships with very large companies, and messages and information through news media and intermediaries.

2.2.1 Personal Contact with Large Companies

Very large companies have enormous importance to the economic census: taken together, the top 1,000 account for at least a third of GDP. Yet each is an individual entity with its own characteristics, organization, record keeping, and corporate identity. Some large firms take their role as corporate citizens very seriously and work hard to meet census reporting requirements, while others have a history of less willing compliance with census reporting requirements.

We will conduct a census account manager program to address each large company individually. We will assign census analysts as account managers to roughly 1,000 of the largest and most important companies, overall or in particular sectors. The account manager will identify the best person at the company (the "company contact") to

- receive and coordinate economic census reporting;
- identify and work to minimize obstacles to reporting;
- facilitate more timely reporting; and
- advocate use of electronic reporting capabilities.

The Account Manager's role as in advocating electronic reporting is particularly important. Because businesses can import data from their spreadsheets, the electronic forms can reduce the cost of acquiring the data. For businesses completing the forms without importing, edits built into the electronic form ensure accuracy and limit followup calls. Account managers also will help companies prepare in advance, guide them through the reporting process, and clarify what is needed on particular forms. We know we may not get earlier reports from every large company, because of the finite limits imposed by fiscal year cycles and other factors. However, through constructive dialogue we can find ways to ease burden and obtain better data.

The 2002 census account manager program rides the coattails of the broader Customer Relationship Management (CRM) program, a directorate-wide effort to coordinate company contacts across economic programs. Through this program we are finding ways to make business reporting easier and more efficient, and sharing information about company organization and reporting changes across surveys. Since large companies are also likely to receive multiple surveys from us, the Account Manager and CRM programs are appropriately integrated.

Initially, we will mail advance information materials in March 2002. The advance mailing includes information about the census, lists of items requested for each sector, and frequently asked questions. It is a heads-up for the company to help them plan for census reporting. One of the most important elements is a Contact Exchange Card. This card asks who at the company will coordinate economic census reporting. For the 1,000 largest companies, the card provides the name, phone number, and email address for the census account manager.

We will follow the advance mailing with a scheduled cycle of account manager contacts, including a heads-up call before the forms arrive, another call after forms are mailed, and additional contacts when forms are due to be completed. We are making some changes from the

model we used in the past, based on Account Manager feedback. Changes include:

- 1) Clear goals Account Managers often were not certain of the goals for scheduled contacts with companies, and consequently could not deliver a satisfactory message to the companies they contacted or may have avoided the calls altogether. We will define specific objectives and carefully script each type of call. We also will implement training, involving a motivational speaker, practice sessions, and roleplaying.
- 2) Fewer telephone contacts Account Managers and companies felt too many calls were scheduled, often resulting in irritating and unproductive telephone tag. We reduced the number calls for 2002, and will use email in place of telephone calls for some contacts with companies. For example, we will use email to inform companies when new forms are available on the Internet.

Many company contacts did not have access to email in 1997 - 1998.

3) Cross-training. While most Account Mangers work with just one

	and Economic Census Events
Timing	Purpose
Nov 01	Contact: Early calls to selected companies
Jan-June 02	Sample forms available online
Mar 02	Advance mailing
Apr-Jun 02	Contact: Acknowledge receipt of card Introduce AM offer help; offer electronic reporting, split mailing, other services Review 97 reporting discuss 02 timing
May-Jun 02	Data entry of returned contact exchange cards
Jul/Aug 02	Contact: Verify/update contact information prior to census mailout
Dec 02	Economic Census mailout
Jan 03	Contact: Verify receipt of forms Verify discussion of timing, services Provide extensions if needed
Feb 03	Economic Census forms due
May-Jun 03	Contact: Extensions expire Monitor reporting
Jul-Aug 03	Escalations
Oct 03	Closeout of collection operation

Contact: Dissemination begins; provide results to respondents

Table 1. Schedule of Account Manager Calls

industry or sector, many large companies are involved in multiple sectors. As a result, some Account Managers do not feel well prepared to discuss industries and programs outside their area of expertise. To address this we will develop cross training. Sector-specific training will explain sector-to-sector differences in common terms like employment and output, as well as unique concepts and methods. We also will familiarize Account Managers with new resources available to companies such as the electronic reporting tool and the Business Help Site.

Mar 04

4) Better software. For the 1997 Economic Census, we developed an Intranet application for recording contacts with companies and updating company information. Account managers

complained that this closed system could not be used to share information or initiate needed services. The 2002 software is being built into the Economic Directorate's new Remedy CRM tool. It provides easy file sharing and data entry, reminders, and email alerts.

- 5) Better information. We will give Account Managers detailed profiles of each company: when they reported in the 1997 and 1992 censuses, names of the company contact and account manager from 1997 and 1992, a diary of Account Manager contacts recorded during the 1997 Economic Census, a list of the forms the company will receive in 2002, and a list of the "current" surveys they receive. The background material in the company profiles will better prepare Account Managers as they make their calls.
- 6) Better timing for the advance mailing Previous advance mailings were timed for November prior to the census year, to accommodate company requests for early alerts about forthcoming census inquiries. This gave companies a 12-14 month head start to locate records and assign resources. Yet few forms have been designed by that point, and some strategic decisions may not have been made. As a result, some companies (and some account managers) suggested a later start.

For 2002, we will delay advance mailing until March 2002. At this time many forms will be ready or near completion. To meet companies' need for advance notice, we will insert a notice into the 2001 Report of Organization survey package. This form will be mailed to 50,000 companies in December 2001. We also will personally contact several companies in fall of 2001 that will need more time prepare or have a history of noncompliance.

7) Dealing with problem reporters - Some companies report late every census, whether because their fiscal year ends late in the calendar year, they are undergoing reorganizations, or other reasons. Even so, proactive contact can help ensure that company reports are submitted as soon as records become available.

Other companies have a history of noncompliance with Census Bureau requests. For example, some privately held companies have less experience sharing financial information with the Government and may not be confident that the Census Bureau will safeguard company data. Proactive contact can identify and address these concerns.

A few companies are doggedly uncooperative and necessitate sterner measures. Toward the end of the 1997 Economic Census, the Under Secretary of Commerce sent a strongly worded letter to the Chief Executive Officers and General Counsels of nearly 100 very large companies that had not reported. The letter reminded businesses of their legal requirement to report, and also emphasized the importance of census data. Most responded after receiving the letter, but still their data were delayed.

For the 2002 Economic Census we will focus additional efforts on noncompliant businesses. For example, we are contacting each of these companies about reporting electronically on the 2001 Report of Organization (this survey is most similar to the economic census because it requests information by location). We have observed that reporting on census and survey forms often improves when they adopt electronic reporting, probably because the

new respondent in the company's IT department has better access to the data.

We will make high level contacts with these historically noncompliant companies earlier in the census process. We will emphasize the reporting requirements, importance of census results, and suggest realistic ways to ease their reporting burden. The key is to start sooner.

2.2.2 Publicity, Advertising, and Outreach

We cannot afford a massive direct mail campaign or personal contact with the millions of businesses receiving census forms. Instead, we will conduct a publicity and advertising campaign to set the stage for the 2002 Economic Census by encouraging people to watch for the form and to complete it when it arrives. Where possible, we will work with the Governmental and non-governmental partners that were established to help promote response to Census 2000. Our goal is to reinforce messages in the questionnaire package, advance mailing, and other contacts.

2.2.2.1 Message development

We have three core messages in economic census response promotion: census data are important and useful, forms are due February 12, 2003, and response is required by law. We are working with an advertising and public relations firm to develop, produce, and distribute materials that communicate these messages.

We are conducting focus groups with likely business respondents to assess awareness of the economic census and evaluate communication strategies. The first three groups, consisting of small single- and multi- establishment firms in the Washington, DC, and Tampa, Florida, areas yielded some preliminary findings:

- 1. Business people have a positive view of the Census Bureau in general and their civic duty to respond. This may be partly attributed to the successful Census 2000 publicity effort.
- 2. Few small business people recall the 1997 economic census. Even those who personally completed a census form are unlikely to recall it without prompting.

Staff in large businesses with frequent turnover are less likely to recall the 1997 forms.

- 3. The reporting requirement is a strong motivator for business people. Even those who doubt that we enforce the requirement plan to report if they know response is mandatory.
- 4. Confidentiality does not resonate with business people to the same degree as the mandatory reporting requirement. Some know or perceive that the Census Bureau can be trusted with private data, while others have no expectation that any of their personal information is secure, particularly in the context of recent White House, FBI, and other scandals. Several said they are reluctant to share personal information about themselves (e.g., their own salary), but would have no problem sharing summary information about their business.

5. Business people who had a chance to look at the form remarked at its length, and wondered if the long lists of product and service lines

would be useful or reportable.

- 6. Business people want to know how the data will be used -- how their own business will benefit, and also how the data will benefit the government. They would look to a variety of sources for validation. Some hoped for endorsements by National figures, but more would prefer validation from their trade associations, chambers of commerce, state & local officials, or local and broadcast news sources.
- 7. Several business people suggested they would respond to a compelling 'advance notice' postcard sent during the two weeks prior to mailout. It is doubtful we will have the resources to test this for the 2002 Economic Census

Additional research conducted over the coming months will further clarify the messages.

Public Service Announcements (PSA's). We will develop graphic images to illustrate the importance of census reporting and remind businesses of the due date. The ads will reinforce accompanying editorial materials. PSA's that incorporate a calendar theme generally test well with deadline-oriented accountants. However, relatively few media and intermediaries provided pro bono space for the ads, although many provided editorial space. Some of the 2002 census

research will identify the types of ads and messages that media and intermediaries are more likely to present to their readers and members. It should be noted that the economic census publicity campaign does not have resources for paid advertising.

Information kits. We will develop information kits to package messages and materials for news media and

intermediaries. The kits will include PSA's, news releases, sample editorials, case studies, examples of data use, and testimonials by business and Government leaders.

Testimonials. Businesses told us in focus groups that they would value leaders' testimonial statements -- not just from national figures like Federal Reserve Chairman Alan Greenspan and Microsoft Chairman Bill Gates, but also local from executives of associations and Chamber of Commerce executives, and officials at the state and local level.

Figure 1. **Testimonials (1997)**

Statements by National leaders help businesses understand why the economic census is important to them. For the 2002 Economic Census, we will work to obtain similar statements from leaders in key industries and communities.

"The Economic Census is indispensable to understanding America's economy. It insures the accuracy of the statistics we rely on for sound economic policy and for successful business planning. Returning your economic census form helps us all." --Alan Greenspan, Chairman of the Federal Reserve Board of Governors

"Businesses use these data to decide where to locate a plant, or build a shopping center. They use them to figure out what the market demand is for their products, and how much they should produce."-- *Maurine Haver, President, Haver Analytics*.

"When the economic census form arrives, look at it as a valuable use of your time. That information will help all of us as a Nation perform more efficiently and probably more equitably. So, take the time, treat it as a real responsible act as a citizen.

2.2.2.2 Message delivery

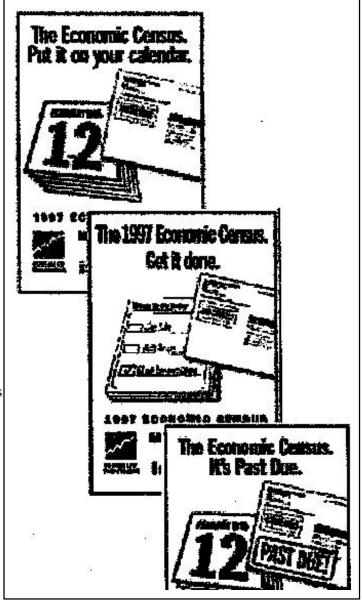
The core of 2002 Economic Census publicity and advertising will be a coordinated series of information kit mailings to intermediaries timed to coincide with census collection and followups. We are developing relevant lists of media, associations, information sources, and government agencies, integrating purchased lists with those obtained from the Census Bureau internal resources: Public Information Office, Customer Liaison Office, Congressional Affairs Office, and economic subject divisions. We will supplement mailings with targeted appeals to groups that can influence industries and communities with historically lower response rates. In particular, we will look for ways to capitalize on Census 2000 partnerships.

News Media. The Public Information Office has strong relationships with national and regional news and media outlets, and an extensive array of tools to communicate information about Census Bureau programs. We will build on the success and credibility established in Census 2000 to demonstrate the importance of economic census data and the various ways economic and demographic data can be integrated.

We will employ these skills and resources to work with traditional media such as news releases, news conferences, editorial boards, and op-ed columns; and non-traditional media such as Internet sites, streaming video on the Internet, and niche publications.

Figure 2. Public Service Advertisements.

Businesses reacted favorably to calendars and to-dolists that emphasized the reporting requirement and the due date. However, intermediaries did not use the ads extensively.



Partnerships. State and local Government organizations were essential to promoting Census 2000 response at the grassroots level, and now are helping to disseminate and explain census results. We want to keep state and local governments just as aware and involved in the

2002 Economic Census. We will piggyback on productive Census 2000 partnerships and networks, with a particular focus on larger states with historically lower response. There should be heightened interest in Census 2000 because detailed summary files with longform data are scheduled to be released starting June, 2002 and through the end of the year. We will provide information and promotional materials when Government officials convene to get the census results, and we will take advantage of other opportunities that arise. Our goal is to have these groups recognize that they have a stake in timely completion of economic census forms by local businesses, and to share this view with businesses in their communities.

The Economic Directorate has very strong ties with many trade and professional associations. These organizations help design and update our census forms, and help deliver census results to their members. We will work with associations to deliver the 2002 messages. Since businesses may question the relevance and usefulness of some of the items on census forms, we will ask associations to help explain the importance of these categories to their members.

To eliminate barriers preventing Governmental and non-governmental organizations from using promotional materials effectively, we will provide implementation guides. The guides will include suggested timing and ways to use

the materials. We will take advantage of associations' regional networks, and new communication formats su communicate directly with businesses and leaders at the grassroots level. We will complement the implement based tools and resources.

Targeting. Business response rates are not evenly distributed Nationwide. For example, single unit businesses in the upper Midwest (Table 2) had the highest response rates in 1997 while those in the 5 largest states had among the lowest response rates (Table 3). We will work with

Governmental and non-governmental organizations in these states to encourage better response. We will work in a similar fashion with traditionally low-response industries.

While we will direct-mail our materials to a broad spectrum of intermediary organizations across all states and sectors, we will make a concerted effort to obtain the support of intermediaries in high priority states and industries. In each case we will identify key media and intermediaries, assign Bureau staff to work with them, provide assistance and encouragement, and discover the best ways to use each groups' capabilities to greatest advantage.

Internet. We will maintain an economic census web site -www.census.gov/econ2002. The

existing economic census site, which highlights 1997 results, is the most frequently visited among economic directorate Internet resources. The 2002 site will provide means for media and intermediary organization to download ads and news stories and obtain census results. Businesses will use the 2002 web site to view sample forms, obtain examples of 1997 results, and learn how the data are used. Businesses also will use links provided to visit the Business Help Site.

We will explore ways to use the Internet as an advertising medium; however, we offered animated banner ads during the 1997 census for pro bono placement on business web sites; the ads were not widely used.

3. Research

What we know about promoting business response, we owe to years of experience, observing what works and making incremental improvements, plus useful research projects. We know about business record keeping practices because we conducted a record keeping practices study in 1989 and a study of large company statistical reporting practices in 1999. We learned that the legal requirement to report influences respondents in the response behavior study (Mesenbourg, 1990).

Times change, however, and attitudes change, and information needs can change too. Assuming available resources, we should conduct research subject to available resources; for example:

- Focus group research conducted over the coming months will identify and clarify important messages for 2002 Economic Census publicity.
- Respondent research during the 2002 Economic Census can assess the exposure of respondents to various messages and to update our knowledge about the various elements that affect business reporting. Concurrent research during the census will validate our assumptions and provide guidance for planners of future economic censuses.

4. Conclusion

In the information age, timely and accurate information is the currency of the successful entrepreneur and effective public policy. For the next several years, policy makers, investors, and entrepreneurs will depend on the information developed in this census. Importantly, this information must be complete, accurate, and timely to be useful.

Economic Census dissemination plans reflect this: we will work to publish earlier, provide more core statistics reports that integrate data across sectors, increase the usefulness of industry data by issuing industry series for all sectors. We will continue to provide easy access to the data through American FactFinder and CD-ROM software.

Fundamentally, it all depends on business response. We cannot publish census results until the forms are returned. That means we must to all of the systematic things to get the right forms to businesses in the right formats, and provide help to businesses that need it. And enlist everyone we can in the effort to encourage business people to fill out the forms when they arrive.

Questions

- 1. What else we can do, directly or through intermediaries, to encourage timely business response to the economic census, particularly by large businesses?
- 2. What steps should we take to raise intermediary interest in promoting economic census response?
- 3. What else should we do to promote use of the Business Help Site and the electronic reporting tool by business respondents?
- 4. What research should we conduct during the coming months to identify persuasive themes for encouraging businesses to respond to the census?
- 5. What research should we undertake during the census to evaluate response improvement efforts and identify factors affecting response behavior for future censuses?

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